

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|---|-----------------|
| NOTICE OF HENDERSON-UNION RURAL ELECTRIC) | |
| COOPERATIVE CORPORATION THAT ON AUGUST 1,) | |
| 1990, OR AT SUCH TIME AS BIG RIVERS) | |
| ELECTRIC CORPORATION'S RATE INCREASES) | |
| BECOMES EFFECTIVE IT WILL ADJUST AND) | CASE NO. 90-133 |
| INCREASE ITS RATES TO FLOW-THROUGH THE) | |
| INCREASED WHOLESALE CHARGES OF BIG) | |
| RIVERS ELECTRIC CORPORATION SOUGHT IN) | |
| PSC CASE NO. 90-128) | |

O R D E R

On June 29, 1990, Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") filed an application to flow through any increase in rates granted its wholesale power supplier, Big Rivers Electric Corporation ("Big Rivers"), in Case No. 90-128.¹ Henderson-Union did not request the approval of any additional revenues or margins in its application; however, it did seek approval to raise its returned check charge from \$5 to \$10.

Henderson-Union is one of four member-distribution cooperatives of Big Rivers. Based on the rates proposed by Big Rivers in Case No. 90-128, Henderson-Union requested an increase of \$1,654,857. The proposed increase would result in an overall increase of approximately 1.54 percent to Henderson-Union's revenue.

¹ Case No. 90-128, Big Rivers Electric Corporation's Notice of Changes in Rates and Tariffs for Wholesale Electric Service.

A hearing was conducted on October 16, 1990 at the Commission's offices in Frankfort, Kentucky. The Utility and Rate Intervention Division of the Attorney General's Office participated as an intervenor.

In its application to flow through Big Rivers' wholesale rate increase, Henderson-Union requested an increase in its returned check charge from \$5 to \$10. Henderson-Union has provided adequate cost justification during this proceeding to justify the increased returned check charge.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The actual increase allowed Big Rivers in Case No. 90-128 is \$6,935,978, which will result in an increase in power costs to Henderson-Union of \$1,654,857.

2. Henderson-Union should be allowed to recover its increased power costs of \$1,654,857.

3. Henderson-Union should be allowed to increase its returned check charge from \$5 to \$10.

4. The rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, in the public interest, and should be authorized effective with service rendered on and after January 1, 1991.

IT IS THEREFORE ORDERED that:

1. Henderson-Union be and it hereby is authorized to flow-through the increased power costs resulting from the rate increase granted its wholesale power supplier, Big Rivers, in Case No. 90-128 and to increase its returned check charge from \$5 to \$10.

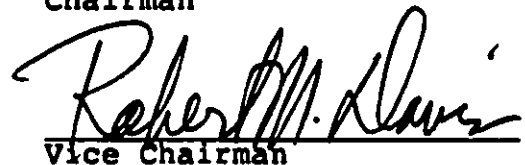
2. The rates in Appendix A be and they hereby are authorized effective for service rendered on and after January 1, 1991.


3. Within 30 days of the date of this Order, Henderson-Union shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 21st day of December, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-133 DATED 12/21/90

The following rates and charges are prescribed for the customers in the area served by Henderson-Union Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A - RESIDENTIAL

Monthly Rate:

| | |
|-----------------------|------------|
| Energy Charge per KWH | \$.062714 |
|-----------------------|------------|

SCHEDULE B - FARM, GOVERNMENT OR COMMERCIAL (50 KW OR LESS)

Monthly Rate:

| | |
|-----------------------|------------|
| Energy Charge per KWH | \$.068357 |
|-----------------------|------------|

SCHEDULE B-1 - FARM OR COMMERCIAL (51 KW TO 500 KW)

Monthly Rate:

| | |
|-----------------------|------------|
| Energy Charge per KWH | \$.062246 |
|-----------------------|------------|

SCHEDULE LP-3 - LARGE POWER (501 KW TO 2,000 KW) DEDICATED DELIVERY POINT

Monthly Rate:

| | |
|-------------------------------------|----------|
| Demand Charge per KW - 100% Ratchet | \$10.15 |
| Energy Charge per KWH: | |
| First 100,000 KWH | .0310846 |
| All Over 100,000 KWH | .0254906 |

SCHEDULE LP-3 - LARGE POWER
(501 KW TO 2,000 KW) NON-DEDICATED DELIVERY POINT

Monthly Rate:

| | |
|-------------------------------------|----------|
| Demand Charge per KW - 100% Ratchet | \$10.15 |
| Energy Charge per KWH: | |
| First 100,000 KWH | .0310846 |
| All Over 100,000 KWH | .0254906 |

SCHEDULE LP-4 - LARGE POWER
(OVER 2,000 KW)

Monthly Rate:

| | |
|-------------------------------------|----------|
| Demand Charge per KW - 100% Ratchet | \$10.15 |
| Energy Charge per KWH | |
| First 100,000 KWH | .0288956 |
| All Over 100,000 KWH | .0249296 |

SCHEDULE SL - STREET LIGHTS

Monthly Rate:

| | |
|------------------------------|--------|
| Sodium or Mercury Vapor Lamp | |
| 8,000 Lumen | \$4.98 |
| 20,000 Lumen | 9.41 |

SCHEDULE D - SECURITY LAMP

Monthly Rate:

| | |
|------------------------------|--------|
| Sodium or Mercury Vapor Lamp | |
| 8,000 Lumen | \$7.99 |
| 20,000 Lumen | 11.54 |

INDUSTRIAL CONSUMERS SERVED UNDER SPECIAL CONTRACTS

Peabody Coal Company
Breckinridge Coal Mine

The monthly delivery point rate shall be:

- (a) A demand charge of \$10.15 per kilowatt of billing demand.
- (b) Plus an energy charge of \$.021646 per KWH consumed.

RULES AND REGULATIONS

Henderson-Union will assess a \$10.00 handling fee for any check that is returned to the cooperative from the consumer's bank for insufficient funds or any reason of nonpayment.